




STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

*Insurance Building, PO Box 43113 · Olympia, Washington 98504-3113 · (360) 902-0555*

December 6, 2001

**TO:** Agency Directors  
Higher Education Presidents  
Agency Budget Officers

**FROM:** Marty Brown, Director 

**SUBJECT: NEXT STEPS ON THE 2001-03 CAPITAL BUDGET**

As I am sure you are all aware, the Office of Financial Management (OFM) “paused” the allotment approval process for the 2001-03 Capital Budget because of uncertainty about whether or not there would be an economic slowdown and a corresponding decline in state revenue. In fact, the November 20, 2001 revenue forecast did reduce state general fund revenue expected for the 2001-03 Biennium by \$813 million, which is accompanied by a reduced general obligation bond capacity for the state of \$175 million.

This morning Governor Locke and several legislative leaders announced a plan to lift this pause so that work on the *entire* 2001-03 Capital Budget can go ahead. In order to proceed in an orderly manner from here, please:

- ⌘ Do not sign any contracts that rely on funds affected by the pause until such time that OFM grants allotment approval for your project;
- ⌘ Prepare and transmit your capital allotment requests to OFM, along with any necessary supporting documentation, with your normal attention to detail and rigor;
- ⌘ We need to understand which projects or allotments are critical in relation to timing, i.e., it may be necessary for us to prioritize approvals. Please indicate which projects come first and why;
- ⌘ As per OFM 2001-03 Allotment Instructions, please ensure that the allotment requests indicate the estimated expenditures by month and do not reflect encumbrances; and
- ⌘ Work with your assigned OFM analyst to reach closure on any questions so that they can approve your allotments in a timely manner.

We are committed to working with you and your staff in an expeditious manner to get your important capital construction and financing projects underway without any unnecessary delay. Remaining disciplined and thorough in our approach will help minimize technical errors and reduce the need to correct problems later.

Thank you for your patience as we have worked our way through this unusual circumstance. We will make every effort to get things moving again as quickly as possible.